GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Food Processing - Operation Greens scheme by MoFPI, GoI – Integrated Tomato Value Chain Development in the State of Andhra Pradesh – APFPS as the Project Implementing Agency – Mandatory requirement of Equity and Term Loan infusion for the Project – Approval towards Equity and term loan Infusion by APFPS in specific Project Components –Orders- Issued.

INDUSTRIES & COMMERCE (PROGRAMME –III) DEPARTMENT

G.O.MS.No. 24 Dated: 01-02-2019

Read the following :-

1. From the Additional Secretary to GoI, Ministry of Food Processing Industries, New Delhi, D.No. Z-14/9/2018-APC, Dated: 01.11.2018
2. From the Secretary to GoI, Ministry of Food Processing Industries, New Delhi D.O. No. M-15/1/2018-MFP Division, Dt: 06.11.2018
3. File No. M-15/01/2018- MFP division, Dt:10.12.2018
4. File No. M-15/01/2018- MFP division, Dt: 10.01.2019
5. From the CEO, APFPS, Vijayawada, e-file No. INC01/5/2019-CEO-FP-INDS,dated:20-01-2019

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O R D E R:-

The CEO, APFPS, Vijayawada, through e-file 5th read above, while referring to the correspondence of Govt., of India vide letters 1st and 2nd read above, has stated that Government of India (GOI) has come out with a new Central Sector Scheme "Operation Greens" for integrated development of Tomato, Onion and Potato (TOP) value chain to be implemented by Ministry of Food Processing Industries (MoFPI) and issued the operational guidelines vide files 3rd and 4th read above, and sought proposals from eligible agencies from respective States. The Ministry selected top three States for each crop (Tomato, Onion and Potato) and Andhra Pradesh State is one of the three States selected for interventions related to Tomato.

2. He has further stated that Andhra Pradesh Food Processing Society(APFPS) being the Project Implementing Agency (PIA) for the Integrated Development of Tomato Value Chain in the State of Andhra Pradesh is in the process of preparing the Detailed Project Report (DPR) for submission to Ministry of Food Processing Industries. As per the scheme guidelines, PIA needs to bring in at least 20 percent of the total project cost as equity contribution and at least 20 percent of the total cost towards post-harvest processing facility, Agri-logistics and Marketing/ consumption points excluding small infrastructure like storage & pack house at farm gate as term loan from the bank/ financial institutions.

3. In this regard, the Chief Executive Officer, A.P. Food Processing Society, has stated that the APFPS has necessary budgetary allocations to fund the project cost beyond the 50% grant funding by Government of India under the Operation Greens. The total budgetary allocation of APFPS is Rs. 350 Crs during the FY 2018-19 and APFPS has received Rs. 175 crs during the first two quarters to meet the expenditure of incentives to food processing Industries. As the assistance from Government of India under the "Operation Greens" scheme is limited to Rs. 50 Crs, the balance of the project cost is required to be contributed by APFPS (being the PIA) in the form of equity/subsidy and term loan. Out of Rs 50 Crs to be met by APFPSRs. 36.60 Crs shall be funded from available APFPS funds towards subsidy/ incentive to eligible components as per the AP Food Processing Policy 2015-2020.

4. Therefore, the CEO, APFPS, has requested the Government to permit APFPS to utilise Rs.18.40 crore from available APFPS funds towards equity contribution by APFPS into specific project components like Capacity Building of FPOs, Quality Production, Marketing Infrastructure etc., as part of backward integration and Rs. 5 crore out of available APFPS funds to be commuted as an interest free loan from GoAP to APFPS to meet the 20% of mandatory components of large storage/ processing/ value-addition infrastructure, to claim Rs.50 Crs grant from Government of India.

(PTO)

5. The Government after careful examination of the entire matter, hereby permit the Chief Executive Officer, Andhra Pradesh Food Processing Society, to utilise Rs. 18.40 crore from available APFPS funds towards equity contribution by APFPS into specific project components like Capacity Building of FPOs, Quality Production, Marketing Infrastructure etc., as part of backward integration and Rs. 5 crore out of available APFPS funds to be commuted as an interest free loan from GoAP to APFPS to meet the 20% of mandatory components of large storage/processing/ value-addition infrastructure etc., to claim Rs.50 Crs grant from Government of India.

6. The Chief Executive Officer, Andhra Pradesh Food Processing Society, Vijayawada shall take necessary action accordingly in the matter and intimate the progress of the proposed project from time to time to the Government.

7. This order is issued with the concurrence of FINANCE (FMU I & C) DEPT., UO No: FIN01-FMU0ASD(IC)/12/2019-FMU-IC, dated:01/02/2019.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

M.GIRIJA SHANKAR
SECRETARY TO GOVERNMENT (FP)

To
The Chief Executive Officer,
Andhra Pradesh Food Processing Society, Vijayawada
The Commissioner Horticulture, Guntur

Copy to:
The Finance (FMU-REV-IC)Dept.
The Accountant General, Andhra Pradesh, Hyderabad
The P.S to Hon'ble Minister for Industries and Food Processing
The P.S. to Secretary to Chief Minister
The P.S. to Chief Secretary to Government
The P.S.to Secretary to Government, (FP)
SC/SF

//FORWARDED::BY ORDER//

SECTION OFFICER